

High Seat Limited

Abbreviated accounts
Registered number 916661
31 December 2008

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Directors' report

The directors present their annual report and the abbreviated accounts for the year ended 31 December 2008.

Principal activity

The principal activity of the Company is retail and mail order sales of fixed and motion furniture. The Company has ten Comfort Superstores nationwide, and all sales are to the UK domestic market.

Enhanced business review

The strategy previously adopted continued throughout 2008 and resulted in an increased turnover for the year. The cost pressures experienced through 2007 also continued but by working with suppliers increases have been minimised. The necessity to increase the advertising budget to maintain the level of sales has however increased cost and impacted upon profit.

There has been increased instability in the retail sector in general particularly with the uncertainty of the economic situation in relation to the banking sector. The Company has however continued with its efforts to improve the customer experience by offering improved lead times and special offers and believes these have also contributed to the increased turnover.

The future still looks challenging with more economic uncertainty being apparent but the Company will now capitalise on further improvements to the products.

The management believe that despite a decrease in the profitability for 2008, the Company is entering 2009 in a strong position having achieved good support from its suppliers and has seen the comfort and quality of many of the products improved through the suppliers continuous improvement policy.

Proposed dividend

The directors do not recommend the payment of a dividend (2007: £ nil).

Directors

The directors who held office during the year were:

P Burrows
WJ Burrows
WD Turner (resigned 30 April 2009)
BL Gilliver

Directors' report *(continued)*

Taxation

As far as the directors are aware, the company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

Political and charitable contributions

The company made £nil political contributions during the year (2007: £nil). Donations to UK charities amounted to £959 (2007: £2,900).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



W J Burrows
Secretary

Victoria Road
Dewsbury
WF13 2AB

17 June 2009



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW

Independent auditors' report to High Seat Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 14 together with the financial statements of High Seat Limited for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that provision.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

23rd June 2009

Profit and loss account
for the year ended 31 December 2008

	Note	2008		2007	
		£	£	£	£
Gross profit			2,319,323		2,515,172
Staff costs	2	1,201,670		1,246,780	
Depreciation		92,596		110,822	
Other operating charges		771,224		694,035	
			(2,065,490)		(2,051,637)
Operating profit	3		253,833		463,535
Loss on sale of fixed assets			-		(360)
Interest receivable and similar income	5		91,686		79,209
Profit on ordinary activities before taxation			345,519		542,384
Tax on profit on ordinary activities	6		(105,274)		(173,106)
Profit for the financial year			240,245		369,278

The company has no gains or losses other than those recognised through the profit and loss account for the above accounting periods.

All the turnover and operating loss for the year relates to continuing operations.

Balance sheet

as at 31 December 2008

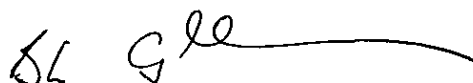
	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	8		1,066,227		1,127,482
Current assets					
Stocks	9	248,226		291,782	
Debtors	10	669,188		600,726	
Cash at bank and in hand		1,519,452		1,321,006	
		<u>2,436,866</u>		<u>2,213,514</u>	
Creditors: amounts falling due within one year	11	<u>(857,949)</u>		<u>(936,097)</u>	
Net current assets			1,578,917		1,277,417
Provisions for liabilities and charges					-
Net assets			<u>2,645,144</u>		<u>2,404,899</u>
Capital and reserves					
Called up share capital	13		9,000		9,000
Capital Redemption Reserve	15		1,000		1,000
Profit and loss account	15		2,635,144		2,394,899
Shareholders' funds	14		<u>2,645,144</u>		<u>2,404,899</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board of directors on 17 June 2009 and were signed on its behalf by:



P Burrows



B Gilliver
Directors

Cash flow statement

for the year ended 31 December 2008

Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	253,833	463,535
Depreciation	92,596	110,822
Decrease in stocks	43,556	146,418
Increase in debtors	(68,462)	(254,785)
Increase in creditors	3,941	166,999
	<hr/>	<hr/>
Net cash inflow from operating activities	325,464	632,989
	<hr/>	<hr/>

Cash flow statement

	Note	2008 £	2007 £
Net cash inflow from operating activities		325,464	632,989
Return on investments and servicing of finance	20	91,686	79,209
Taxation		(187,363)	(87,819)
Capital expenditure	20	(31,341)	(19,288)
		<hr/>	<hr/>
Increase in cash		198,446	605,091
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net debt

		2008 £	2007 £
Change in net debt		198,446	605,091
Net funds at 31 December 2007	21	1,321,006	715,915
		<hr/>	<hr/>
Net funds at 31 December 2008	21	1,519,452	1,321,006
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold land	-	Nil
Freehold property	-	4% straight line
Plant and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	25% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less further costs expected to be incurred on the completion and sale of these stocks.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, which ever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element that reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental payments are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for all deferred tax liabilities in full, except as otherwise required by FRS19.

Pension scheme

The company pays pension contributions directly into senior employees' own pension schemes. The amount charged against profits represents the contributions payable to those schemes in respect of the accounting period.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Notes (continued)

2 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2008	2007
Office and management	60	63

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	1,103,268	1,138,620
Social security costs	95,844	105,815
Other pension costs	2,558	2,345
	<u>1,201,670</u>	<u>1,246,780</u>

3 Profit on ordinary activities before taxation

	2008 £	2007 £
<i>Profit on ordinary activities before taxation is stated after charging the following:</i>		

Auditors' remuneration:		
Audit of these financial statements	7,500	7,350
Other services relating to taxation	3,500	3,300
Rentals under operating leases: land and buildings	111,710	103,950
Depreciation	92,596	110,822
Loss on disposal of fixed assets	-	360
	<u></u>	<u></u>

Notes (continued)

4 Emoluments of directors

	2008 £	2007 £
Directors' emoluments	278,928	305,515
Contributions paid to directors' personal pension schemes	2,558	2,345
	<u>281,486</u>	<u>307,860</u>

Excluding pension contributions, the emoluments of the highest paid director were £105,122 (2007: £128,428).

Pension contributions of the highest paid director were £nil (2007: £nil).

5 Interest receivable and similar income

	2008 £	2007 £
Bank interest receivable	<u>91,686</u>	<u>79,209</u>

6 Tax on profit on ordinary activities

<i>Analysis of tax charge in period</i>	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on income for the year	107,278	187,363
Adjustment in respect of prior periods	(3,320)	(2,549)
Current tax charge	<u>103,958</u>	<u>184,814</u>
<i>Deferred tax</i>		
Origination/reversal of timing differences	1,261	(12,168)
Adjustment in respect of prior periods	55	-
Change in the rate of deferred tax provision	-	460
Deferred tax	<u>1,316</u>	<u>(11,708)</u>
Tax on profit on ordinary activities	<u>105,274</u>	<u>173,106</u>

Notes (continued)

6 Tax on profit on ordinary activities (continued)

The current tax charge is higher (2007: higher) than the standard rate of corporation tax in the UK, 28% (2007: 30%). The difference is explained below:

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	359,944	542,384
	<hr/>	<hr/>
Current tax charge at 28% (2007: 30%)	100,784	162,715
Expenditure not allowable for tax purposes	12,538	15,441
Timing differences between depreciation and capital allowances	(1,260)	12,168
Utilisation of tax losses	-	-
Marginal relief	-	(2,961)
UK tax not at standard rate	(4,783)	-
Adjustment in respect of prior periods	(3,320)	(2,549)
	<hr/>	<hr/>
Current tax charge/(credit)	103,959	184,814
	<hr/>	<hr/>

7 Dividend

	2008 £	2007 £
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	-
	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Freehold land and buildings £	Plant and Equipment £	Motor vehicles £	Total £
Cost				
At 31 December 2007	1,490,890	432,426	56,001	1,979,317
Additions	-	31,341	-	31,341
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	1,490,890	463,767	56,001	2,010,658
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 December 2007	447,401	373,907	30,527	851,835
Charge for year	56,643	29,584	6,369	92,596
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	504,044	403,491	36,896	944,431
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2008	986,846	60,276	19,105	1,066,227
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	1,043,489	58,519	25,474	1,127,482
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land included at cost not being subject to depreciation amounts to £74,815 (2007: £74,815).

9 Stocks

	2008 £	2007 £
Finished goods	248,226	291,782
	<hr/>	<hr/>

10 Debtors

	2008 £	2007 £
Trade debtors	233,982	454,527
Amounts owed by connected companies:		
Nightingale Furniture Limited	161,829	-
Other debtors	129,551	101,946
Prepayments	137,395	37,822
Deferred tax	6,431	6,431
	<hr/>	<hr/>
	669,188	600,726
	<hr/>	<hr/>

Notes (continued)

11 Creditors: amounts falling due within one year

	2008 £	2007 £
Payments received on account	297,317	262,643
Trade creditors	341,178	180,863
Corporation tax	105,274	187,363
Other taxes and social security	68,516	277,711
Accruals	45,134	27,223
Other creditors	530	294
	<u>857,949</u>	<u>936,097</u>

12 Provision for liabilities and charges

	Deferred taxation £
At 31 December 2007	(6,431)
Charge for the year	1,316
	<u>(5,115)</u>
At 31 December 2008	(5,115)

Deferred tax represents the difference between accumulated depreciation and capital allowances.

13 Called up share capital

	2008 £	2007 £
<i>Authorised, allotted, called up and fully paid:</i>		
9,000 ordinary shares of £1 each	<u>9,000</u>	<u>9,000</u>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	240,245	369,278
Net increase in shareholders' funds	240,245	369,278
Opening shareholders' funds	2,404,899	2,035,621
Closing shareholders' funds	2,645,144	2,404,899

15 Reserves

	Capital redemption reserve £	Profit and loss reserve £
At 31 December 2007	1,000	2,394,899
Profit for the year	-	240,245
At 31 December 2008	1,000	2,635,144

16 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and Buildings £
Operating leases which expire:	
Within one year	-
In the second to fifth years inclusive	34,000
Over five years	78,110
	112,110

Notes (continued)

17 Capital commitments

There are no capital commitments at the end of the financial period for which a provision is required.

18 Pension scheme

The company pays pension contributions directly into senior employees' own pension schemes. The pension cost charge for the year represents contributions payable by the company to the funds and amounted to £2,558 (2007: £2,345).

There were no outstanding or prepaid contributions at the beginning or end of the year.

19 Related party transactions

During the year the company traded with Nightingale Furniture Limited, a company connected by common ownership.

During the year the company purchased goods amounting to £3,955,667 (2007: £3,802,500) from Nightingale Furniture Limited.

Sales made to Nightingale Furniture Limited amounted to £69,039 (2007: £8,948).

The amounts owed to this company at the year end are set out in notes 10 and 11 of these financial statements.

During the year the company paid property rent of £45,750 (2007: £45,750) to P Burrows. This rent was considered to have been paid at an 'arm's length'.

20 Gross cash flows

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	91,686	79,209
	<hr/>	<hr/>
Capital expenditure		
Payments to acquire tangible fixed assets	(31,341)	(19,288)
	<hr/>	<hr/>

21 Analysis of net debt

	At 31 December 2007 £	Cash flows £	At 31 December 2008
Cash in hand and at bank	1,321,006	198,446	1,519,452
	<hr/>	<hr/>	<hr/>